

Opening Statement of the Honorable Cliff Stearns
Chairman, Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
“The Federal Green Jobs Agenda”
June 19, 2012

(As Prepared for Delivery)

Today we will examine the federal investment in green energy and the employment and economic returns generated by this investment. When the federal government invests taxpayer dollars in the energy sector we must make sure we oversee the returns on these investments.

In 2008, then-presidential candidate Barack Obama promised that as president he would invest \$150 billion in renewable energy programs that would create five million well-paying, non-exportable jobs in ten years. It is hard to know exactly how much the Obama administration has spent to promote, prop-up and subsidize its green energy agenda and even harder yet to accurately put a number on the green jobs created as a direct result of this substantial investment. We know that the president’s American Recovery and Reinvestment Act of 2009 included approximately \$90 billion in direct spending and tax credits for green energy and associated programs.

In December 2009, President Obama signed the Consolidated Appropriations Act, which appropriated \$8 million to the Bureau of Labor Statistics (BLS) to determine the number of green jobs in the U.S. The BLS report, “Employment in Green Goods and Services” was released on March 22, 2012. The overly broad and seemingly all-encompassing definition of what constitutes a green job used by the BLS combined with the gimmick accounting methods that green job counters appear to have used resulted in the conclusion that a total of 3.1 million green jobs exist in America today. The president would like us to believe that he is on his way to keeping his green jobs promise but the truth is that we’re nowhere near there.

Numerous media outlets have scrutinized the BLS report and conclude that many of the jobs being counted as green jobs are not green, are not new and were not in need of saving. Many of these jobs have been around for decades and were never in need of a green energy subsidy in the first place. These "green" jobs include tenured professors, bus drivers, trash collectors, and steel mill workers.

In fact, when the BLS made its proposed definition of a green job available for public comment, it received the following feedback: a trade association stated, for example, that “it is our determination that the ‘green jobs’ label is an artificial construct that is being imposed subjectively, used politically and will, in the end, be about as successful as trying to collect fog in a cardboard box.” A state government agency, for example, stated “if we overstate or generalize “green” too much, the resulting data become meaningless.”

The Recovery Act led to an influx of money into green programs. DOE's Loan Programs Office has given out nearly \$35 billion, including to recipients such as Solyndra. Many are now bankrupt, and thousands of people have been laid off. In fact, just last week a Department of Labor report revealed that nearly 1,900 people lost their jobs with the shuttering of Solyndra, 800 more than cited by previous media accounts.

At the same time, Molly Sherlock, in the prepared testimony that she has provided to the committee, has confirmed much of what the committee investigation of the Section 1603 had uncovered. This includes the fact that the 1603 grant "as an incentive is of greater value to investors, it is also more expensive from the government's perspective."

The Obama administration supports extending a costly program, yet continues to stress that job creation is not one of its goals, statutory or otherwise. Dr. Sherlock notes that a recent attempt at estimating the economic impact of 1603 "does not attempt to estimate how many jobs were created by the Section 1603 grant program." DOE's report notes that some projects supported by a 1603 award most likely would have progressed without the award.

Just how many of these free riders are we talking about? To provide some perspective, Sherlock notes that one early analysis of the 1603 grant program estimated that roughly 25% of the wind capacity installed in 2009 was directly motivated by the grant. Of the wind projects that received the grant in 2009, roughly 39% were dependent on the grant. Consequently, Sherlock notes the possibility of job numbers substantially lower than even those estimated by DOE.

To learn more about the economic and employment effects of the Obama administration's green energy agenda, we will hear testimony from Dr. Molly Sherlock with the Congressional Research Service, Dr. Ken Green from the American Enterprise Institute, Dr. David Kreutzer with the Heritage Foundation, Dr. David Montgomery with NERA Economic Consulting, and Michael Breen of the Truman National Security Project.

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